

Keer Yang

CONTACT INFORMATION

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EDUCATION

University of Minnesota, Minneapolis, U.S.

Ph.D. Candidate, Finance 2016 -

Toulouse School of Economics, Toulouse, France

M.Res. in Economic Theory and Econometrics 2014 - 2016

Zhejiang University, Hangzhou, China

B.S. Mathematics and Applied Mathematics 2010 - 2014

RESEARCH INTERESTS

Empirical Corporate Finance, FinTech, Machine Learning, Financial Intermediaries

WORKING PAPERS

Trust as an Entry Barrier: Evidence from FinTech Adoption

This paper studies the role of trust in incumbent lenders (banks) as an entry barrier to emerging FinTech lenders in the credit markets. The empirical setting exploits the outburst of the Wells Fargo scandal as a negative shock to the trust in banks. Using a difference-in-differences framework, I find that increased exposure to the Wells Fargo scandal leads to an increase in the probability of borrowers using FinTech as mortgage originators. Utilizing political affiliation to proxy for the magnitude of trust erosion in banks in a triple-differences specification, I find that, conditional on the same exposure to the scandal, a county experiencing more trust erosion has a larger increase in FinTech share relative to a county experiencing less trust erosion. Treatment effect heterogeneity estimations from both regression and generic machine learning inference suggests that trust is less critical in FinTech adoption for African American borrowers.

Does Finance Flow to High Productivity Firms? with Murray Frank

This paper studies the impact of productivity on the flow of financial resources to and from firms. To do this we use machine learning methods (Lasso, XGBoost) to derive a new measure of firm productivity using standard corporate accounts. Output is sales revenue and we find that the key inputs are i) cost of goods sold, ii) selling general and administrative expenses, iii) total assets. Empirically finance typically flows away from high productivity firms. This happens because firm invest in operations and reward investors when productivity is high. To fund these actions they make use of internal cash holdings which provides a novel motivation for corporate cash holdings.

WORK IN PROGRESS

Financially Underserved But High Quality? Real Economy Effects of Fin-Tech Small Business Lending with Celine Yue Fei

We study the operational performance of FinTech-backed restaurant borrowers in the Paycheck Protection Program (PPP) using linked data on the PPP loans and customer ratings. We document that FinTech lenders reach to borrowers who are likely to be underserved by traditional lenders. However, compared to non-FinTech-backed ones, restaurants that used FinTech PPP lenders are of higher quality, proxied by

Yelp rating, before the loan approval. FinTech lender's higher technology level and larger geographic lending scope are possible channels. Furthermore, using a matched Difference-in-Differences model, we show that FinTech-backed restaurants have higher growth in customer popularity, proxied by the number of reviews per month, after the PPP loan approval. We find suggesting evidence on refinancing existing loans as one explanation. Our findings show that traditionally underserved borrowers are not necessarily of poor quality in operational performance and can have implications beyond the PPP and COVID crisis for the policy debate on introducing FinTech lenders in the credit market.

Which Firms Have More Predictable Profits? A Method and Applications with Murray Frank

Bankruptcy law provisions with Jacelly Cespedes and Richard Thakor

This project is supported by Richard Thakor's Carlson School of Management Dean's Small Grant for project titled "The Ex Ante Effects of Bankruptcy Law: Evidence from Chapter 12." The authors received National Agricultural Statistics Service (NASS) approval to access The Agricultural Resource Management Survey (ARMS) data.

CONFERENCE AND SEMINAR PRESENTATIONS (*BY CO-AUTHOR)

- 2021 China Fintech Research Conference, Behavioural Finance Working Group Conference, 4th Dauphine Finance Ph.D. Workshop, 6th Cambridge Centre for Alternative Finance Annual Conference
- 2020 CEPR European Conference on Household Finance
- 2019 University of Iowa, CICF(*)
- 2018 London Business School Summer Finance Symposium(*), Minnesota Finance Brownbag, Minnesota Corporate Finance Conference(*), CSOM Summer Applied Economics Workshop(*), Workshop on Artificial Intelligence and Machine Learning in Financial Services at Rensselaer(*)

INVITED DISCUSSIONS

- 2021 China International Conference in Finance: *Big Data Analyses with No Digital Footprints Available – Evidence from Cyber-Telecom Fraud* by Liu, Liu, Ruan, Yang, and Zhang
- 2021 Behavioural Finance Working Group conference: *Psychological and Social Motivations in Microfinance Contracts: Theory and Evidence* by Dhami, Arshad, and al-Nowaihi
- 2020 Financial Management Association: *FinTech and the Supply of Credit to Small Business* by Mark Johnson

GRANTS AWARDED

Carlson School of Management, University of Minnesota	
CSOM dissertation fellowship	2020 - 2021
PhD student conference-travel fellowship	2020-21
Ambassade de France en Chine	
France Excellence Scholarship	2014 - 2016
Zhejiang University	
Outstanding Graduates	2014
Academic Excellence	2011-2013

ADDITIONAL
EXPERIENCE

Jyah Asset Management
Assistant Analyst

June 2015-August 2015

IBM-Biocomputing Lab
Research Assistant

June 2012-October 2012

PROGRAMMING
LANGUAGES

Programming: SQL, R, Python, LaTeX
Software: SAS, Stata, Matlab, TensorFlow